

PERSPECTIVES

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Tom Courchene on the Ontario Economic Council: an interview

Q The OEC is a rather unusual institution in the sense that no other province appears to have a similar organization. What is its precise role?

COURCHENE:

I think that it might be useful to approach this question by referring to the duties of the Council outlined in the legislation that created it. The Council's mandate is to advise and make recommendations to the Executive Council on matters relating to (a) encouraging the maximum development of human and material resources in Ontario, (b) promoting the advancement of all sectors of Ontario, and (c) fostering conditions for the realization of higher standards of living for the people of Ontario. In order to fulfil this goal the Council is empowered to research and publish socioeconomic studies in any area considered by the Council to be of concern and to create and enhance the public's understanding of such issues by holding seminars and conferences. Under the legislation the Council may also undertake such duties as are assigned by the Lieutenant Governor in Council, but to my knowledge no such duties have ever been assigned.

Q Has the OEC succeeded in fulfilling the mandate?

COURCHENE:

Overall, I think that it has. But that is a question best answered by others. On the research side I feel that the Council has done an excellent job. It is true that on occasion these studies may appear to

many to be a bit too technical. Yet it is important to recognize that many of them will have their principal influence over the longer term as they influence public discussion and debate on the various policy issues. On the other hand, I think that it would be hard to improve on our two-volume publication *Energy Policy for the 1980s* as far as timeliness and relevance are concerned. I might also add that while the OEC's focal point are those policy issues that are somewhat beyond the immediate concern of the government of the day, we have now diversified our publications so that we have an outlet, the Discussion Paper Series, which allows us to address issues on a more timely basis.

As for the Council's role in advising the government, our record is probably viewed as being more chequered. We cannot become a dispenser of policy advice on a short-term basis. Our role is to provide independent analysis and advice on a range of issues that the Council deems to be important. On occasion, this will certainly mean that some of our published studies will not be well received by the Ministers of the day. In this context it should be emphasized that the Council does not assume responsibility for the detailed recommendations that appear in the authored published research. Responsibility for them rests with the author. The role of the Council is to provide guidance in terms of the general areas that ought to be researched. From time to time we also publish 'Council documents' that do reflect the views of the Council on a particular policy issue. It is fair to say, however, that we do not use this vehicle as frequently as the Economic Council of



Canada. It is also fair to say that the OEC is currently wrestling with the general issue of how best to fulfil its advisory role.

Q Where will the Council now focus its attention?

COURCHENE:

Over the last decade or so the Council's research has focused largely on four areas — education, health, housing, and social security. Attention was directed to such considerations as program design, universality, administration, incentives, and equity. Some research in these areas will continue to be of vital interest to the Council, particularly in light of the revised federal-provincial fiscal arrangements. More recently, however, the Council has given increased priority to the general area of industrial policy both in terms of the implications for Ontario industry and in terms of Ontario's role in the context of the Canadian and world economies. I am very happy with this research thrust and I presume that it will maintain its current high priority for the next year at least. What lies beyond has not as yet been determined. But I will do my utmost to see that the research design and implementation are directed toward issues that are both policy-relevant and timely.

Thomas J. Courchene was recently appointed chairman of the Council.

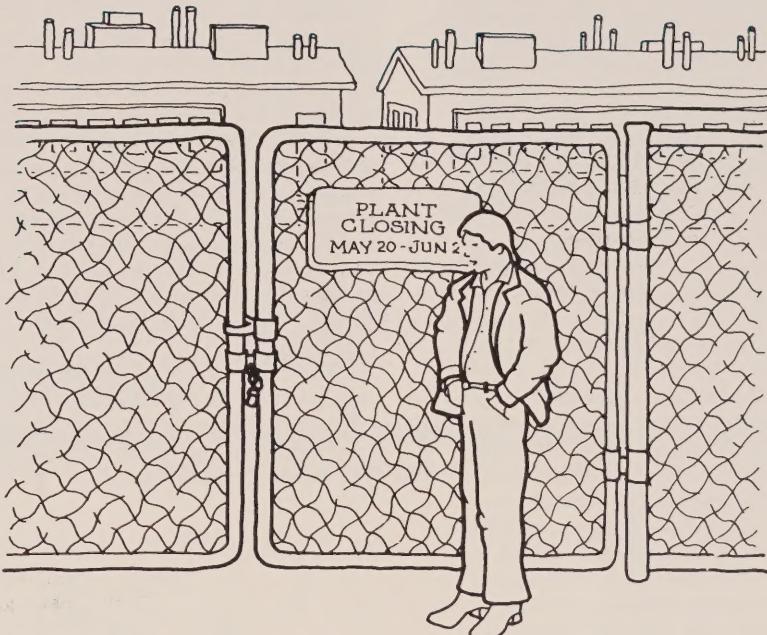
Bill 95: severance pay for Ontario

Sandra Tychsen
OEC Staff

Ontario has a new severance pay law which requires firms to pay permanently laid off workers a sum based on their years of service to the firm. The basic formula provides for a week's pay for each year of service, with a maximum of twenty-six weeks' pay, but the legislation also includes a number of important qualifications and exemptions. For example, only workers involved in a permanent lay-off of more than fifty workers and with at least five years' service to the firm are eligible. The bill, enacted in mid-1981, is administered by the Employment Standards Branch of the Ministry of Labour.

Few other governments have legislated severance pay for laid off workers. No other province, and only one U.S. state, has a similar law. Mandated severance pay is more common abroad: the U.K. introduced the Redundancy Payments Act in 1966, and in other countries, such as West Germany, obligatory negotiations with work councils often result in compensation for disadvantaged workers.

A more common form of layoff legislation requires advance notice of plant closures or employee terminations. (Ontario's notice requirements, and those of other jurisdictions, are described in a recent OEC discussion paper, *Permanent Layoffs: some issues in the policy debate*, which is reviewed on page 8 of this publication.) Currently, Quebec is considering legislation which provides for extended notice and 'full disclosure' explanation and justification by employers. The Quebec and Ontario governments have responded differently to their growing layoff problems. In Ontario, large employers are generally obliged to give employees a few months' notice and sometimes to provide severance pay when shutdowns occur. The proposed Quebec legislation on the other hand allows increased government supervision of the shutdown decision.



Severance pay has two overall effects. First, it provides financial protection for workers, facilitates relocation, and reimburses workers for the loss of job rights, and second, it makes it more costly for firms to fire employees in large batches, thus discouraging layoffs. These general effects have important implications.

On the workers' side, severance pay should be scrutinized for its equity and efficiency. Should employees fired in mass layoffs be treated differently from those losing their jobs for other reasons? Is severance pay rather than unemployment insurance or other types of transfers the best form of financial protection? For both humanitarian and political reasons, careful consideration of these questions is warranted.

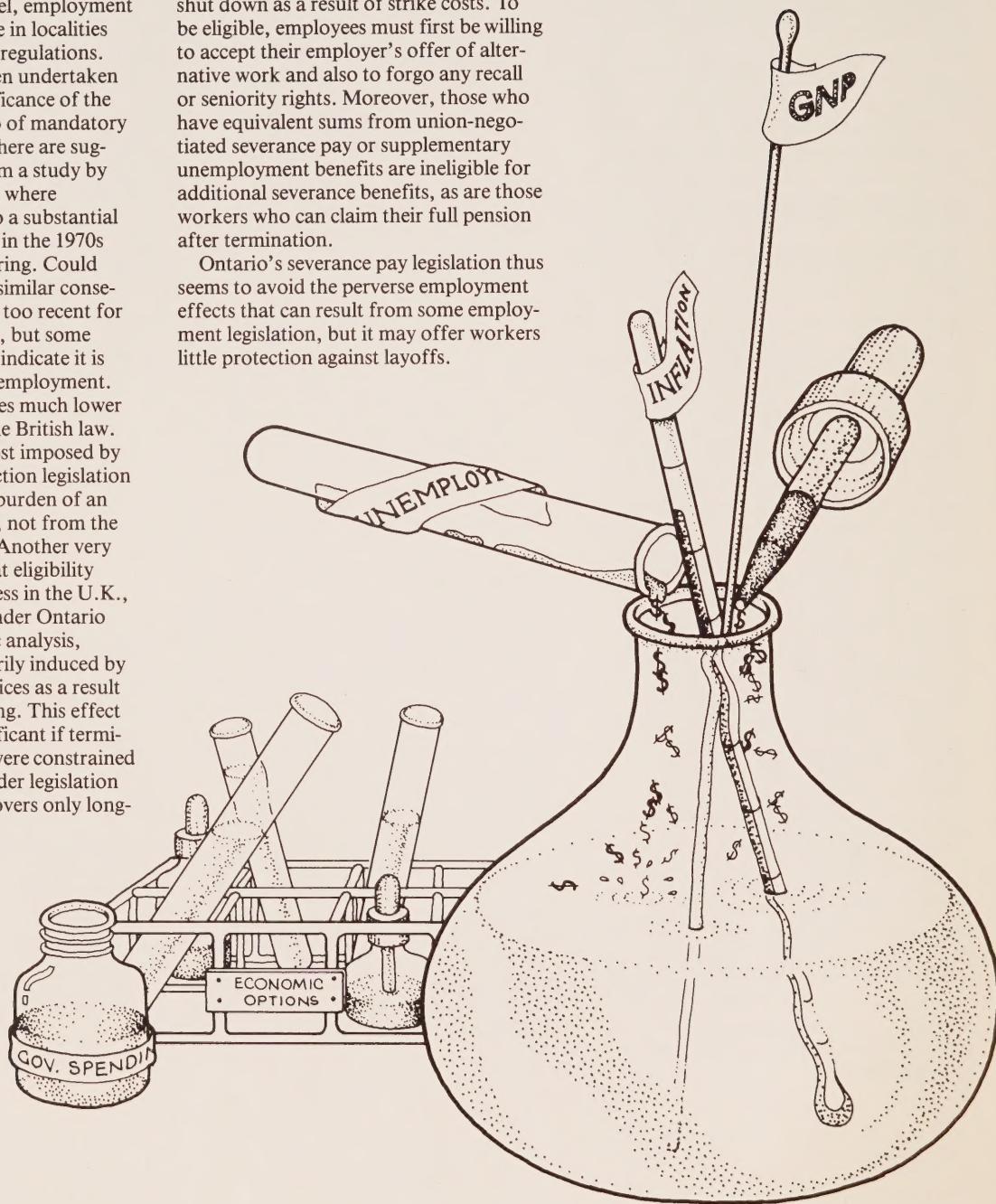
The implications of raising the cost of firing also deserve special examination. Severance pay was a topic of economic analysis in the 1960s in the context of protecting workers against dislocations of technological change, and the research suggested that mandatory severance pay, as a tax on firms that lay off workers, encourages firms to retain more workers in downturns and to make adjustments through other channels, such as hours of work. (This effect is the same as the policy goal currently promoted by the federal government in its new Work Sharing Program.) However, by raising the fixed cost of labour, severance pay may have adverse effects on the demand

for labour. For example, firms will tend to substitute, to the extent possible, other factors of production for labour, and there is some evidence that employment opportunities may in fact decrease significantly. At the regional level, employment opportunities could decline in localities with more stringent layoff regulations.

Research has not yet been undertaken to gauge the size and significance of the possible effects on Ontario of mandatory severance pay. However, there are suggestive research results from a study by Stephen Nickell in Britain, where increased firing costs led to a substantial increase in unemployment in the 1970s due to a reduced rate of hiring. Could Ontario's legislation have similar consequences? The legislation is too recent for a full empirical assessment, but some aspects of the Ontario law indicate it is unlikely to cause much unemployment. First, Ontario's law imposes much lower costs on employers than the British law. In particular, the major cost imposed by British employment protection legislation comes from the legal cost burden of an unjust dismissal provision, not from the severance pay obligation. Another very important difference is that eligibility occurs after two years or less in the U.K., but only after five years under Ontario law. In Nickell's economic analysis, unemployment was primarily induced by more selective hiring practices as a result of legal restrictions on firing. This effect would likely be quite significant if termination of new employees were constrained but is unlikely to occur under legislation such as Ontario's which covers only long-term employees.

Furthermore, as labour groups argue, the number of employees who meet the qualifications of Bill 95 may indeed be small. Construction industry workers are excluded, as are those from plants which shut down as a result of strike costs. To be eligible, employees must first be willing to accept their employer's offer of alternative work and also to forgo any recall or seniority rights. Moreover, those who have equivalent sums from union-negotiated severance pay or supplementary unemployment benefits are ineligible for additional severance benefits, as are those workers who can claim their full pension after termination.

Ontario's severance pay legislation thus seems to avoid the perverse employment effects that can result from some employment legislation, but it may offer workers little protection against layoffs.



Will increasing government spending help bring recovery?

Douglas Crocker
OEC Staff

The Ontario Economic Council has recently acquired the capability to use the University of Toronto's FOCUS-PRISM model system for policy simulations. This model is unique in that it gives results not only for Canada but for all the provinces as well.

In a forthcoming publication, Peter Dungan of the University of Toronto and Douglas Crocker of the Ontario Economic Council will use the FOCUS-PRISM system to produce a ten-year projection of the Canadian and Ontario economies. The model can also be easily used to simulate the effects of a large variety of policy changes.

To show how the model makes it possible to test policy alternatives, a simple experiment — a continuous increase in government expenditures — is discussed below. Of course the FOCUS-PRISM system can handle much more complex fiscal, monetary, or commercial policy options.

To simulate policy changes we must first have what is called a 'base case' — a state of the economy that would prevail in the absence of the policy changes considered. All policy and resulting changes are therefore measured against this 'base case'. We then make the following assumptions:

- federal government expenditures on goods and services are increased \$500 million (constant 1971 dollars) above the base case values each year for five years;
- the Bank of Canada continues with its policy of gradually reducing the rate of growth of the money supply (M1);
- the exchange rate is allowed to float freely without any intervention from the central bank.

The simulation results show the traditional effects of an expansionary fiscal policy on real GNP and prices (Figures 1 and 2):

- over the initial years the real GNP increases by a smaller percentage than the price level; over the later years the real GNP actually declines relative to the base case;
- inflation is up by about half a percentage point in the second through the fourth years but is about the same in the fifth year, although the price level continues to be higher;
- there is a slight reduction in the unemployment rate. The most favourable effect occurs in the fourth year, when it falls by 0.35 percentage points.

The relatively modest increase in real GNP is partly due to the reduction in private investments as a result of higher interest rates, driven up by additional government borrowing, and partly due to the increase in purchases of foreign goods as domestic goods become more expensive. Eventually, increased imports and reduced exports exert pressure on the Canadian dollar, raising domestic prices even more.

Figure 1 Impact of extra government spending on GNP and CPI

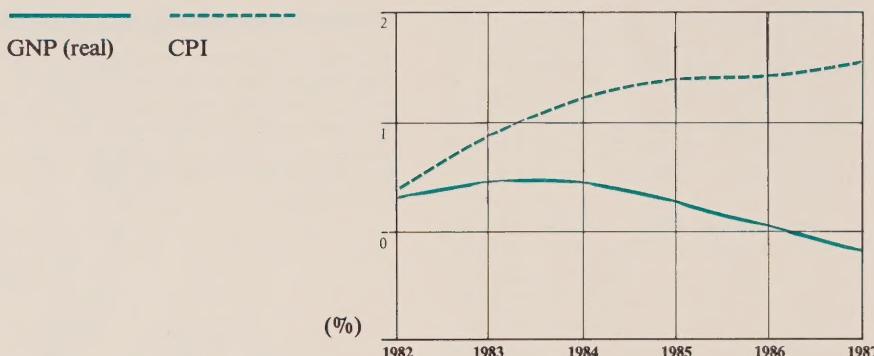
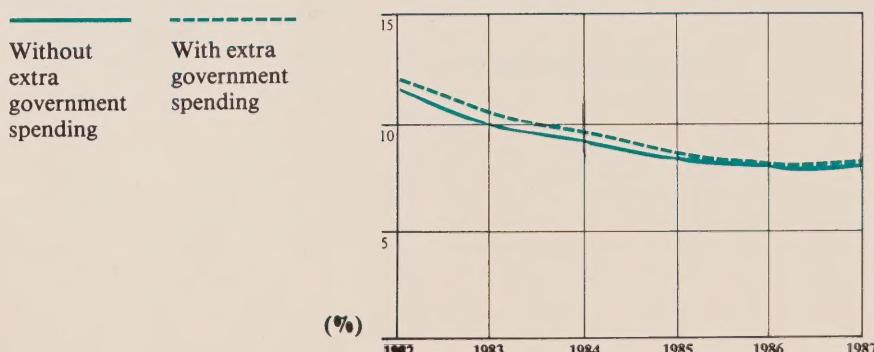


Figure 2 Inflation rate



Universal or selective? The debate on income security

Cutting expenditures on income security programs by basing the payments more selectively on income can paradoxically result in a less equitable program says a policy study by former Ontario Economic Council Research Officer Michael Mendelson. Because the tax relief to the wealthy from such a move can far outweigh their loss of benefits, he argues, the total effect on income redistribution can take an unexpected turn. It is the distribution of net benefits, and not the distribution of transfers, that represents 'the bottom line'. In light of a proposed set of criteria of equity, efficiency, and compatibility, the study analyses proposed changes to income security programs. The key to efficiency, he argues, is to minimize administrative costs, work disincentives, and savings disincentives for a given amount of redistribution or of some other tax-transfer objective. The question of compatibility depends upon Canada's existing institutional and social structure, and the most important factors here are the need to minimize the stigma of receiving income security payments and the problems of co-ordinating federal and provincial responsibilities. Universal programs have important merits in these respects.

The report points out that although the payments made by universal programs do not decrease as the recipients' earned income rises, the net benefits of a universal program will be progressive if the tax system itself is progressive. 'Moving

to greater selectivity may mean that both the poor and the wealthy will be net winners, the former from increased transfers and the latter from decreased taxes, while the middle-income group will be net losers.'

When all factors are taken together, Mendelson believes that a model income security system should consist of several programs designed to serve a number of different purposes. He therefore concludes that the most desirable income security system would not be a single monolithic negative income tax but rather a program to redistribute from the rich to poor, supplemented by others that redistribute from the employed to the unemployed, from the pre-retired to the retired, and from the well to the injured.

Universal or Selective — The Debate on Reforming Income Security in Canada, by Michael Mendelson, Policy Study Series, 1981. A former research officer with the Ontario Economic Council, Mendelson now works with the Ministry of State for Social Development.

The Canadian Charter of Rights and Freedoms

In this short but authoritative review, one of Canada's foremost constitutional authorities argues that the Charter of Rights and Freedoms will profoundly affect all aspects of Canadian society, including the economy. There are clear economic implications in the entrenchment of mobility rights and interprovincial equalization. Major changes in labour markets, for example, could result from provisions concerning discrimination and linguistic rights, depending on court interpretations. Many economic regulations and statutes will require revision, and uncertainty will likely persist for years as the courts gradually narrow the interpretation of the Charter's imprecise language.

Professor Smiley undertakes a comprehensive analysis of the Canadian Charter of Rights and Freedoms, examining the nature of human rights; the Charter's background; egalitarian, linguistic, and mobility rights; emergency powers; and the Charter's possible consequences. The study emphasizes that human rights are rarely absolute and that differences in them between provinces may sometimes be justified. Moreover, human rights change as society's values change, and involve compromises between legitimate values. Entrenchment of the Charter in the Constitution effectively transfers the power of interpretation to the Canadian legal system. Thus the Supreme Court of Canada will become increasingly involved in political issues, such as the highly contentious division of powers between the federal and provincial governments. Smiley contends that it is reasonable to expect a higher degree of politicization of the Court. This will occur in a system of parliamentary supremacy devoid of a constitutional doctrine emphasizing checks and balances such as exists in the United States, which also has entrenched human rights.

The Canadian Charter of Rights and Freedoms, 1981, by Donald Smiley, Discussion Paper Series, Ontario Economic Council, 1981. Donald Smiley is a Professor of Political Sciences at York University.

Economic inequality: causes and cures

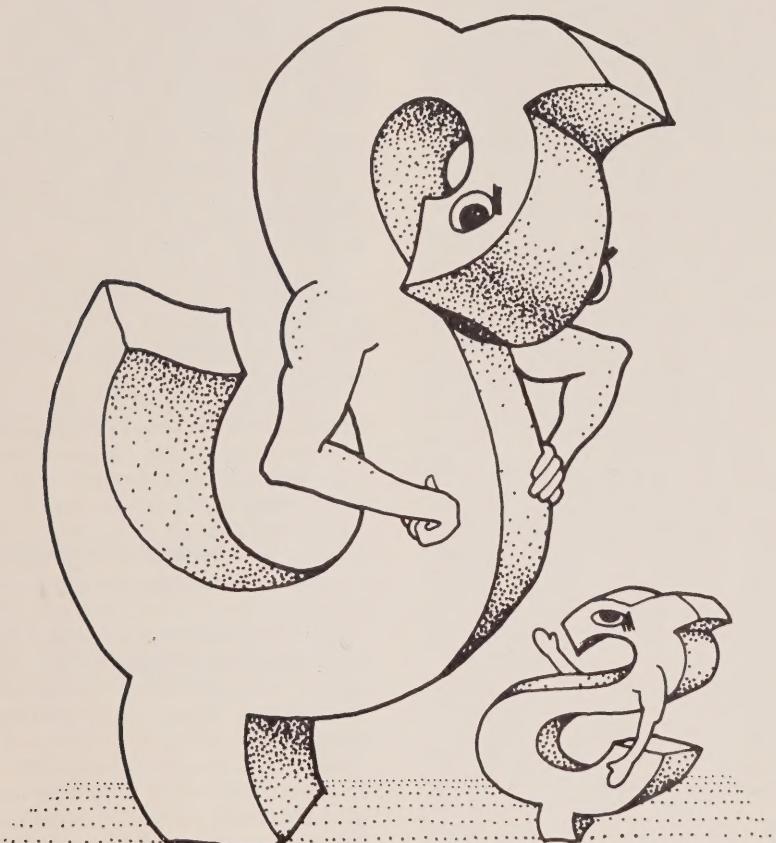
The distribution of current income is inadequate as a measure of economic inequality in society argues Charles Beach in an authoritative analysis of the question in Ontario. Economic well-being depends on the long-run income and wealth status of a household, whereas current incomes differ in part because they reflect individual preferences for non-pecuniary benefits.

Furthermore, as people move through their lives their needs change in ways not reflected in their income. 'For young households,' the study says, 'policies should concentrate on easing capital market restrictions, reducing employment discrimination and barriers to job entry, improving job market information, and providing opportunities for training and employment. Elderly, retired, and dis-

abled persons, however, would be helped more by income-support, transfer payments, and social insurance, which would help even out the peak and subsequent trough of the income profile. For prime-aged families, the emphasis should instead be on improving long-run productivity, reducing the personal costs of employment (particularly for female heads with dependent children), increasing on-the-job training and information on how to acquire it, and shortening gaps in employment.'

Showing that income differences are systematic and long-run, Beach argues that 'behind the observed distribution of incomes lie more basic . . . distributions of wealth (human and non-human).' The stocks of wealth cause income to vary and enable economic advantages to be transmitted from one generation to the next. 'Therefore, if there are to be policies for reducing economic inequalities, they ought to recognize the source of these inequalities in wealth stocks and not just consider observed differences in current income.'

The extensive study shows how incomes vary with age, labour market attachments, experience, educational level, occupation, transfer receipts, and investment benefits. An individual's net worth, according to Beach, reflects life cycle patterns in asset holdings and debts that are usually determined by family investment in housing and financial adjustments for retirement. Family size and composition, and adjustments for accrued capital gains and net worth holdings, Beach suggests, contribute to the inequality of economic well-being.



Distribution of Income & Wealth in Ontario: Theory and Evidence, C. M. Beach, with D. E. Card and F. Flatters, Ontario Economic Council Research Studies, University of Toronto Press, 1981. Both Beach and Flatters teach at Queen's University. Card is a graduate student in economics at Princeton University.

Layoffs in Ontario: What should the government do?

As the press continues to report new outbreaks of industrial layoffs, it has become increasingly clear that little is actually known about the problems caused for Ontario, and especially about what options the provincial government has to alleviate these problems. These findings are central points in a recent OEC discussion paper by Ronald Saunders entitled *Permanent Layoffs: Some Issues in the Policy Debate*. A basic problem is the lack of official data: layoffs affecting less than fifty workers need not be reported, and an advance-notice requirement when more than fifty workers are involved leads to some overstatement. Nevertheless, there has been sufficient apparent growth in collective dismissals over the past two years to make the search for remedies a high political priority.

Saunders reviews programs of assistance and legislation related to permanent layoffs in Ontario, but also describes programs elsewhere in Canada, and in the United States and Europe for comparison. (Since only the advance notice requirements of the current Ontario legislation were in place when Saunders's report went to press, the new severance pay provisions for Ontario are described elsewhere in *Perspectives*.) Implicit in Saunders's overview is the fact that there are few policy approaches in place elsewhere which are not reflected to some extent in current provincial or federal programs in Ontario. What he makes clear is that no panacea has appeared.

Government regulation in this area is justified, he argues, by social costs of collective dismissals, costs that include increased use of health care and crime prevention services as well as lost output. Assistance programs are justified on grounds of equity, he says, to distribute the costs of economic change across society and to ensure that individuals in similar economic circumstances are treated equally. The existence of collective bargaining and thus presumably the ability of employees to protect themselves if they wish does not mean the government has no need to intervene or assist, he adds, because only one-third of the Ontario labour force is unionized, and in any event such services as health care, employment counselling, and welfare are financed by everyone. An important

aspect of solving the problems caused by permanent layoffs, he points out, is the pursuit of a policy of full employment.

One policy instrument is to tax firms for layoffs by imposing such things as severance-pay and advance-notice requirements. The problem is that a tax which discourages firings may also discourage investment and new hirings and make it particularly difficult for workers with marginal skills or dubious employment histories to find work.

Another instrument is subsidies to encourage worker mobility, such as retraining and relocation grants. Since these increase job security they have been criticized for encouraging slack performance by employees. Saunders points out, however, that increased employment security can reduce employee resistance to technological change and might therefore tend also to increase productivity. Canadian retraining and relocation programs are much less extensive than European ones, many of which appear to have been successful. A major hindrance to worker mobility may be the lack of portability of private pensions. Saunders supports the recommendations of the Haley commission to make pensions completely portable.

Better information is needed about the number of employees laid off, their skills, and employment opportunities elsewhere. Saunders recommends that an employer who has scheduled mass terminations should be required to participate in an adjustment committee to facilitate management-labour consultation and plan counselling, placement, and transfer services. These Manpower Adjustment Committees should also help efforts to improve the quality and quantity of labour market information.

Permanent Layoffs: Some Issues in the Policy Debate, by Ronald S. Saunders, Discussion Paper Series, released November 1981. Saunders teaches at the University of Toronto.

Medicare: the views of two economists

Richard Bird finds Judge Hall's timely review of Canada's medicare system inadequate because it fails to 'grapple with some of the real issues and problems of Canada's provision and financing of health care.' The main misgiving people have about the Canadian medical care system, according to Bird, is that because of rapidly rising public health costs taxpayers are paying more and getting less. The introduction of publicly financed health care in Canada, however, was not responsible for the rise of health care costs. While the suppliers of medical services, particularly physicians, have under the prevailing system a vested interest in giving patients the 'best' care regardless of social cost, more (rather than less!) public control of health provisions will reduce suppliers' role in determining supply but need not imply more direct decision-making by bureaucrats or more efficient resource use.

Bird points out that certain public expenditures, such as programs to reduce smoking and pollution, though not explicitly related to public health, could result in lower public health costs.

The Hall Report is ambivalent on the issue of provincial versus federal funding and on conditional matching grants as against unconditional non-matching block grants. Bird notes that giving provinces greater autonomy will facilitate efficient decision-making and will permit more experimentation among the various provinces.

Roderick Fraser emphasizes that health care is only one, perhaps a minor, determinant of the general state of health of the populace. Noting that the Hall Report has a chapter entitled 'Life Styles and Health Care,' Fraser thinks that this treatment is still rather limited. He advocates that health promotion, rather than better and more accessible hospital and medical care, should be the main objective of all health programs. Since scarcity of resources is a fact of life, Fraser suggests that 'the achievement of the highest possible health standards for all our people,' as stated in the 1964 Charter of Health, cannot be a realistic goal. Health programs are valuable only as long as their benefits exceed costs.

Pension reform at a crossroads

Patients usually delegate much of their freedom of choice to physicians, who therefore have an opportunity to generate demand for their services. Though recognizing that such an opportunity is not unlimited, Fraser believes that the number of services provided by a physician is indeed responsive to the fees charged. Although the incomes of physicians as a whole appear to have fallen relative to those of other professionals in recent years, because the age, experience, sex, and other characteristics of physicians have changed, it is not clear that the relative income of physicians in a given socio-demographic category has declined. Fraser agrees in principle to Hall's recommendation for a third-party, non-medical, non-governmental body to intervene when negotiations regarding fees come to a deadlock. For this arbitration to be fair, however, more knowledge about relative incomes is required.

Fraser believes that there is a definite role for user fees to play in the area of public health. User fees would encourage people to adjust their life style to avoid health care costs and generate funds to support health promotion programs.

Commentaries on the Hall Report, Richard Bird and Roderick Fraser, Discussion Paper Series, Ontario Economic Council, 1981. Bird teaches at the University of Toronto. Fraser teaches at Queen's University.

The Report of the Royal Commission on the Status of Pensions in Ontario (1980) has been heavily criticized by three economists reviewing it independently in a recent Council publication. The Report contains two central ideas. The first is a proposal for a mandatory pension plan called 'Provincial Universal Retirement System' (PURS). It requires contributions according to a fixed formula and provides benefits that vary according to the accumulated value of the contributions and investment returns. (Such plans are called 'defined contribution plans'.) The second is a proposal for an inflation tax credit designed to offer some protection to pensioners against the erosion of purchasing power by inflation. Neither proposal is endorsed by the economists.

Baldwin and Ascah find PURS totally unacceptable. Although Pesando recognizes most problems cited by the other two authors, he notes that, during inflationary times, pension plans that specify fixed nominal benefits (these are called 'defined benefit plans') may fail to provide adequate pension incomes. 'Thus,' he concludes, 'in spite of the prevalence of defined-benefit plans, the case for mandating a universal defined-contribution plan — such as PURS — merits serious consideration.' Moreover, Pesando thinks that the uncertainty about the future real value of pensions may be minimized by adopting a suitable investment strategy.

Apart from the uncertainty of benefits the authors find PURS inequitable and regressive. People would enjoy different pensions for retiring at different times. Since PURS would require a relatively long phase-in period (47 years) before reaching maturity, it fails to provide adequate protection for those retiring during that period. With increased mandatory contributions by employers and their shifting of the cost to the employees, workers would have a lower take-home pay before retirement. Low-income

retirees would be worst hit and would see their other benefits (such as the Guaranteed Income Supplement) reduced because the pension would be earnings-related. In addition, other features in the proposal would effectively lead to the replacement of the flat-rate universal Old Age Security pension, which is financed out of general revenues, with an uncertain, non-indexed pension, which would be financed by a regressive payroll tax.

Ascah is disappointed with the absence of a recommendation for upgrading deferred pension benefits (i.e. revising benefits upward from the time of termination of employment to the time of retirement) for workers switching from one job to another before retirement. Pesando finds the Commission correct in ignoring the recommendation of the Task Force on Retirement Income Policy for updating deferred annuities of terminated vested employees. He points out, however, that deferred pensions could be accorded improved cost-of-living protection.

As for the inflation tax credit proposal, all the authors see it as well intended but ill conceived. Suffering from technical flaws, it is inequitable and costly.

Baldwin and Ascah are in favour of expanding public pension plans like CPP/QPP, which enjoy national portability and full indexing without the inequity problems associated with PURS. Pesando, unpersuaded by the Commission's arguments against increasing funding for the CPP, notes the potential inequity problems in a pay-as-you-go scheme of financing the CPP as recommended by the Commission.

Commentaries on the Haley Report on Pensions, by Louis Ascah, Robert Baldwin, and James Pesando, Discussion Paper Series, Ontario Economic Council, 1981. Ascah teaches at the University of Sherbrooke, Baldwin works with the Canadian Labour Congress. Pesando is a professor at the University of Toronto.

Other recent Council publications

RESEARCH STUDIES

Disability Insurance and Public Policy,
Samuel A. Rea jr, 1981.

POLICY STUDIES

Rent Control and Options for Decontrol
in Ontario,
Richard Arnott, 1982.

OCCASIONAL PAPERS

Public Sector Wage Inflation in Province
of Ontario,
D. Auld and D. Wilton, 1981.

Health Care for Aged in Ontario,
J. Gross and C. Schwenger, 1981.

Income Class and Hospital Use in
Ontario,
P. Manga and M. Barer, 1981.

Community Health Centres and Hospital
Costs in Ontario,
M. Barer, 1981.

An Economic Analysis of Labour
Shortages: The Case of Tool and Die
Makers in Ontario,
N. Meltz, 1982.

DISCUSSION PAPERS

Unemployment Insurance and Work
Effort: Issues, Evidence and Policy
Directions,
Derek Hum, 1981.

Unemployment Among Young People
and Government Policy in Ontario,
M. Gunderson, 1981.

Housing Policy for the 1980s,
G. B. Fallis, 1981.

Municipal and Fiscal Reform in Ontario:
Property Taxes and Provincial Grants,
*J. Bossons, M. Denny, and N. E. Slack,
1981.*

Industrial Policy in Ontario and Quebec,
*C. Green, P. Davenport, W. J. Milne,
R. Saunders, and W. Watson, 1982.*

SPECIAL REPORTS

Policies for Stagflation: Focus on Supply,
*OEC Conference Proceedings,
November, 1980.*

Annotated List of OEC Publications:
Supplement to Annual Report 1980.

The above publications can be obtained
from:
Ontario Government Bookstore,
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Renouf Publishing Company, Limited,
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K1P 5A6, telephone (613) 238-8985.

The Bookstore, Windsor Public Library,
850 Ouellette Avenue, Windsor, Ontario,
N9A 4M9, telephone (519) 255-6765.

Studies in press

Urban Transportation Financing: Theory
and Policy in Ontario,
M. W. Franken

Crown Corporations in Ontario (a study
in three parts, encompassing theory,
institutional design, and a case study of
organizational goals and performance),
*T. E. Borchering, M. J. Trebilcock,
J. R. S. Prichard, J. P. Palmer, and
J. J. Quinn*

An Economic Analysis of Social
Regulation in the Market for Consumer
Goods and Services,
E. Appelbaum and D. T. Scheffman

Information, Entry, and Regulation in
Markets for Life Insurance,
F. Mathewson and J. D. Todd

Municipal Regulation,
J. P. Palmer, S. Makuch, and J. Bossons

Commissioned studies under way

The Productivity Issue: A Survey with
Analysis,
M. Denny and M. Fuss

The Choice of Instruments to Promote
the Canadian Film Industry,
M. Trebilcock and D. Lyon

The Ontario Economy, 1982-1990,
D. Crocker and P. Dungan

Equalization Payments,
T. Courchene

Canada Assistance Plan Act: Review and
Analysis for Reform,
D. Hum and Associates

Tariffs, Industrial Subsidies and the
Structure of Manufacturing Industries in
Canada,
Richard G. Harris

Market Failure, Government Failure, and
Industrial Policy,
William Watson

The Varieties and Effects of Canadian
Industrial Policies: an Interjurisdictional
Comparison,
*Paul Davenport with William Watson
and William Milne*

Helping Workers in Declining Industries,
Ronald Saunders

Positive Industrial Strategy,
Yehuda Kotowitz

The Macroeconomic Effects of Industrial
Policy,
William Milne with Peter Dungan

Industrial Policy as a Response to
Economic Exigency and Political Reality:
History, Theory and Evidence,
Christopher Green

Industrial Policy for Ontario: Evaluation
and Prospects,
Richard Bird

The Cost of Strikes in the Canadian
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M. W. Reder and G. R. Neumann

Labour Market Information,
G. MacDonald and J. Davies

Staff papers in preparation

A Survey of Findings from the Evaluation of U.S. Employment and Training Programs,
O. Ashenfelter

The Implications for Canadian Manpower Programs of Recent Evaluations of U.S. Employment and Training Programs,
M. Abbott

Binding Arbitration as an Alternative to Strikes in the Public Sector,
M. Gunderson

The Voluntary Sector,
D. J. McCready and S. L. Rahn

The Use of Excess Investment Earnings to Improve Cost-of-Living Protection Provided by Private Pension Plans,
J. Pesando

The Impact of Rising Energy Costs on Urban Structure,
J. R. Melvin and D. T. Scheffman

An Economic Analysis of Housing Allowances,
M. Steele

Regulation of the Securities Industries,
J. D. Todd

Federalism and the Canadian Economic Union,
M. Trebilcock, T. Courchene, J. Melvin, J. Whalley, and R. Prichard

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J. R. Williams

Economic Strategies and Industrial Plans,
Brian Hull

Election Financing,
A. Weinbaum

Tax Indexation & Institutional Innovation,
J. Bossons

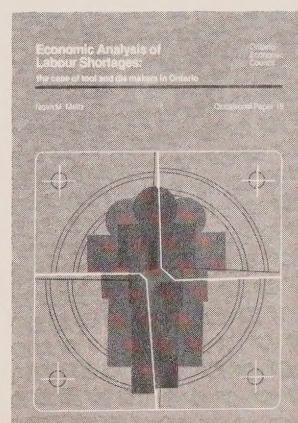
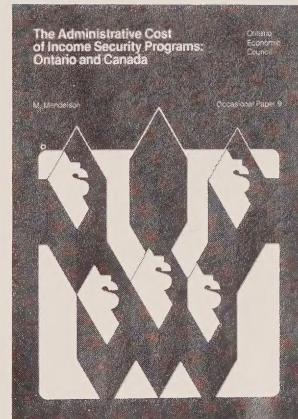
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These publications are not Council studies; *Perspectives* will feature a selected bibliography relating to Ontario from time to time.

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